

Exhibit 56

Novo Nordisk Pledges to Limit Price Increases in U.S. for Its Drugs

U.S. chief Jakob Riis acknowledges many diabetes patients struggle to afford Danish company's products

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A Novo Nordisk employee on an insulin production line in a plant in Kalundborg, Denmark. PHOTO: REUTERS

[Novo Nordisk](#) [NOVO.B 2.68%](#) ▼ A/S has pledged to limit price increases in the U.S. for its drugs, acknowledging that many diabetes patients struggle to afford its products.

Jakob Riis, Novo's U.S. chief, said the company would limit future increases in list prices of its drugs to no more than single-digit percentages annually. He made the pledge in [an article posted on the company's website](#) last week.

The move underlines the pressure the pharmaceutical industry is under, amid public outrage over sky-high drug prices. [The price of insulin](#), which accounts for about half of Novo's revenue, has drawn particular ire because many people depend on it for their survival.

Denmark-based Novo Nordisk makes insulin and other drugs for diabetes, as well as some treatments for hemophilia.

Insulin, a hormone produced by the pancreas, converts sugar to a form that can be stored for future use. People with Type-1 diabetes can't produce insulin, while those with Type-2 diabetes don't produce enough.

More than six million Americans use insulin, according to the Centers for Disease Control and Prevention.

Novo's pledge, which followed [a similar promise](#) in September from Allergan PLC, is likely to have only a limited effect on the price that most patients pay for its drugs because of the convoluted system through which prices are set in the U.S.

List prices tend not to reflect the actual price paid because pharmaceutical companies offer discounts to pharmacy-benefit managers who negotiate drug prices on behalf of insurers and employers.

That means that although Novo Nordisk and other rival insulin makers [Sanofi SA](#) [SAN 0.80%](#) ▼ and [Eli Lilly Co.](#) [LLY -1.55%](#) ▼ have sharply boosted list prices in recent years, the amount they receive for the medicines after discounts, or the net price, has risen more gradually. In some limited cases, however, net prices have fallen of late, a trend that has forced both Novo Nordisk and Sanofi to [warn that revenue growth from insulin will slow](#).

Mr. Riis wrote that Novo had repeatedly raised its list prices in the past to offset increased rebates, discounts and price concessions offered to pharmacy-benefit managers, and it admitted that some patients were disadvantaged by the way in which drug prices were set.

"While we can debate who pays what in different scenarios, it doesn't change the fact that many patients simply can't afford the medicine they need," he said.

Despite such discounts from Novo and its rivals, the average price that diabetes patients pay for insulin has soared in recent years to \$736.09 a year in 2013 from \$231.48 in 2002, according to research published in the medical journal JAMA in April.

What's more, some patients are more exposed to price increases than others and are being forced to make trade-offs. Paul Laak, from Wenatchee, Wash., recently faced a \$500 bill for a two-month supply of insulin and blood-sugar testing equipment. Mr. Laak, who has Type-1 diabetes, instead switched to an older version of insulin that is much cheaper, but more difficult to use.

Irl Hirsch, a diabetologist at the University of Washington Medical Center, said around one in seven of his patients were using this older version of insulin, known as human insulin. Five years ago, that number was virtually zero, he said.

Dr. Hirsch said that while human insulin is more difficult to use than the newer forms, the alternative—cutting back on insulin or not taking it at all—would be worse. “The bottom line is, we have no choice,” he said.

Such stories have made insulin prices a hot-button political issue. Sen. Bernie Sanders (I., Vt.) and Rep. Elijah Cummings (D., Md.) recently called for a federal investigation into rising in insulin prices, and the American Diabetes Association has asked for government action to ensure insulin is affordable.

While Novo's list-price pledge won't necessarily stop insulin prices from rising, it does signal the company is willing to tackle the issue.

Mr. Riis acknowledged that for insulin to be affordable for more patients, the system by which drug prices are set needs a big overhaul. To do so, he said, would need the cooperation of drugmakers, pharmacy-benefit managers, insurance companies, employers, patient organizations and policy makers. “We are poised to do more, but can't do it alone,” he said.

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